

Subpart D. Sale of Assets; Issuance of Preferred Stock by Jeopardized State Trust Company.

§ 53-406. Sale of assets by board of jeopardized State trust company.

(a) With the Commissioner's approval, the board of directors of a jeopardized State trust company, acting without shareholder approval and notwithstanding any other provision of this Article or any other law, or any of the provisions of the articles of incorporation or bylaws of the State trust company, may cause the State trust company to sell to one or more buyers all or substantially all of its assets, including the right to control and act as fiduciary for accounts established with the trust company, if the Commissioner finds:

- (1) The interests of the State trust company's clients, creditors, and shareholders are jeopardized by the continued operation of the State trust company; and
- (2) The sale is in the best interests of the State trust company's clients and creditors.

(b) Sales under the provisions of this section shall include assumptions and promises by one or more buyers to pay or otherwise discharge, except as provided in G.S. 53-407:

- (1) All of the State trust company's liabilities to clients and creditors;
- (2) All of the State trust company's liabilities for salaries of the State trust company's employees incurred before the date of the sale;
- (3) Expenses incurred by the Commissioner arising out of the supervision or sale of the State trust company; and
- (4) Taxes owed and fees and assessments due the Commissioner's office.

(c) This section does not limit the power of a State trust company to buy and sell assets in the ordinary course of business.

(d) This section does not affect the Commissioner's right to take action under another law or sale under other provisions of this Article. (2001-263, s. 1.)